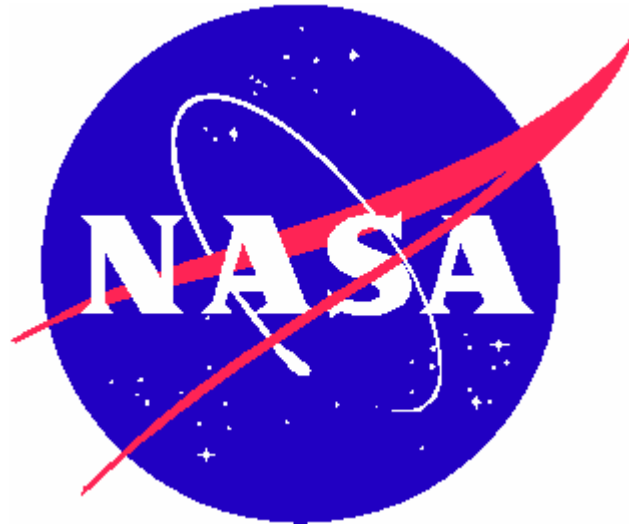


# Improving the FAIR Act Inventory



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NASA Competitive Sourcing Team

# Background

- Submitted Commercial 2002 FAIR Act Inventory
- Submitted Inherently Governmental Inventory
- No challenges from interested parties to date
- OMB approved inventories on 10-17-2002

# Establishment of Agency Competitive Sourcing Infrastructure

- Established Agency Competitive Sourcing Team in NASA Headquarters Office of Procurement
- Established NASA-wide point-of-contact network for developing the inventories and Competitive Sourcing Plan
- Established Competitive Sourcing Review Board of senior agency officials to review inventories and plans
- Established agency competitive sourcing website

# 2002 Inventory: Our Process

- Initiated weekly agency-wide telecons
- Conducted briefings, presentations, ViTS
- Issued guidance/Called for inventories and plans
- Required Centers' inventories to include rationale
- Analyzed inventories for discrepancies
- Required Center presentations on their inventories and plans
- Developed supplemental direction
- Called for revised inventories
- Reviewed inventories for compliance
- Submitted to OMB

# Ground Rules

- Review/classify all activities as inherently governmental or commercial
- All activities are to be categorized as commercial unless they are unequivocally inherently governmental

# Myths Impeding the Development of a High Quality Inventory

- All activities ever performed by government employees are forever inherently governmental
- Core capability = inherently governmental
- Those who perform commercial activities are not as important to the organization
- If your activity is coded commercial, then you definitely will be outsourced

# Inherently Governmental Activities

An inherently governmental function involves, among other things, the interpretation and execution of the laws of the United States so as to:

- (a) bind the United States to take or not to take some action by contract, policy, regulation, authorization, order, or otherwise;
- (b) determine, protect, and advance its economic, political, territorial, property, or other interests by military or diplomatic action, civil or criminal judicial proceedings, contract management, or otherwise;

# Inherently Governmental Activities (Continued)

- (c) significantly affect the life, liberty, or property of private persons;
- (d) commission, appoint, direct, or control officers of employees of the United States; or
- (e) exert ultimate control over the acquisition, use, or disposition of the property, real or personal, tangible or intangible, of the United States, including the collection, control, or disbursement of appropriated and other Federal funds.



# Inherently Governmental Activities

## OFPP Policy Letter 92-1,

### APPENDIX A

The determination of agency policy, such as determining the content and application of regulations, among other things.

The determination of Federal program priorities or budget requests.

The direction and control of Federal employees.

The selection or nonselection of individuals for Federal Government employment.

The awarding, administering, and terminating of contracts.

# Reason Code A Examples

Commercial activities that, for example:

- ...directly impact NASA's assumed risk (loss of life, loss of high dollar value assets, credibility exposure, etc.) where the assignment and accountability for risk/liability decisions appropriately lies with NASA.
- ... are critical competencies that must be available long term and accessible by NASA, as required, and are at risk for not being available if NASA were not to exclude them from competition.

# Reason Code A Examples (Continued)

...facilitate succession planning to allow for timed “pipeline” replenishment for projected vacancies associated with individuals performing inherently governmental functions

# Core Capability

A minimum core capability of specialized, scientific or technical in-house or contract employees and related commercial workload, may be maintained, without cost comparison, to ensure that the Government has the necessary capabilities to fulfill its mission responsibilities or meet emergency requirements. (RSH Ch 1, B.3)

A core capability of in-house and contract resources may be warranted for certain functional areas. (RSH Exhibit 1)

A core capability is a commercial activity operated by a cadre of highly skilled employees, in a specialized technical or scientific development area, to ensure that a minimum capability is maintained. (RSH Appendix 1)

# Core Capability (Continued)

Maintenance of some degree of in-house core capability is essential (i.e., commercial activity reason code A) but nothing precludes NASA from obtaining core capability from an outside source.

For coding purposes, core capability could be Reason Codes A, B, or C. It is not necessarily Reason Code A.

# Examples of Specific Coding Direction

IPA Assignments and Co-ops – All are to be coded as inherently governmental or commercial, depending on the function they are currently performing.

Public Affairs Offices – All are to be coded as commercial unless they meet the test for inherently governmental. Code them as Reason Code A if they are personally representing NASA. Otherwise they are coded as B or C as appropriate.

# Examples of Specific Coding Direction

Driving and Delivery Functions – All are to be coded commercial Reason Code A, B, or C, as appropriate.

Contract Closeout Support – All are to be coded as commercial, Reason Code B.

Administrative Support, Program Support,  
Secretaries: Code all as commercial.

# **RDT&E is 68% of NASA's Work Force: Which Are Inherently Governmental?**

- a. Project Scientists and Task Managers to the extent they provide advice of a nature so extensive and so far advanced toward completion as to limit the decision-makers' discretion and to restrict the agency's ability to develop and advance options other than those provided, e.g. award fee and past performance recommendations.
- b. COTRs to the extent they provide COTR services and Technical Management Representatives.
  - Surveillance activities that enable the government to accept risk associated with processing and/or launch to meet federal acquisition requirements and indemnify the contractor.
  - Overseeing design activities for both NASA and contractors
- c. Approving test and other certification documentation.
- d. Approving requirements that are called out in the contract. (Approving lower level requirements is not inherently governmental.)
- e. Accepting contractor products and services.



# **RDT&E is 68% of NASA's Work Force: Which Are Inherently Governmental? (Continued)**

- f. Providing corporate system level knowledge to approve statements of work and specifications.
- g. Overseeing design activities for both NASA and contractors.
- h. Approving technical evaluations of processing changes, and anomalies and discrepancies reports.
- i. Other Managers/Supervisors of government employees (only when at least some of the employees they supervise are engaged in inherently governmental activities).
- j. Approving payments of Government funds.
- k. Formulate, defend, and manage budget. Specifically, Program Analysts who advise management on the relationship, appropriateness, and adherence to Agency, Congressional, and Executive policy.
- l. Represent the government on national and international partner agreements and commitments

# Why NASA Was Successful

- Strong, visible support from the Administrator
- Designation of Office of Procurement as Competitive Sourcing Champion (parallel to OFPP lead of Competitive Sourcing)
- Formation of central, dedicated team supporting a senior-level review board
- Formation of agency-wide network
- Bottom-up review of inventory process
- Built totally new, not updated, inventory

# Commercial activities increased 70% over 2001 inventory!

	2000	2001	2002
<b>Inherently Governmental</b>	13,787	14,612	11,600
<b>Reason Code A</b>	2,438	2,399	2,382
<b>Reason Code B</b>	0	0	1,549
<b>Reason Code C</b>	2,188	1,934	3,474
<b>Commercial (A+B+C)</b>	4,626	4,333	7,405
<b>Totals</b>			
<b>Grand Totals</b>	18,413	18,945	19,005

## ***Need More Information?***

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